# GOVERNMENT OF INDIA
# COAL AND MINES
# LOK SABHA

UNSTARRED QUESTION NO:3309
ANSWERED ON:10.12.2002
BUDGET ESTIMATES
BHIM PRASAD DAHAL

**Will the Minister of COAL AND MINES be pleased to state:**

(a) whether the Budget Estimates for 2000-01 and 2001-02 got reduced at the Revised Estimate stage from Rs. 4647.81 crore to Rs. 3937.83 crore to 3937.15 crore and from Rs 3335.83 crore to Rs. 3127.69 crore respectively and the outlay has been pegged at Rs. 3491.47 crore for 2002-03;

(b) if so, the reasons therefor;

(c) the reasons for showing a declining trend as compared to the projections and actual notice since 1999;

(d) the steps taken to improve the languishing of major coal / lignite projects;

(e) whether the projection of Internal and external Budget Resources for various subsidiaries have been arrived at without taking into considering the ground realities;

(f) if so, the reasons therefor; and

(g) the steps taken to ensure that realistic targets are projected?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL & MINES AND MINISTER OF STATE IN THE MINISTRY OF LAW & JUSTICE ( SHRI RAVI SHANKAR PRASAD )

(a) The Plan outlay of the Department of Coal for 2000- 01 and 2001-02 (BE & RE) and for 2002-03 (BE) is shown below:-

| Year | BE | RE |
|---|---|---|
| 2000-01 | 4647.81 crore | 3274.28 crore+ |
| 2001-02 | 3977.15 crore | 3127.69 crore |
| 2002-03 | 3491.47 crore | |

+plus carry forward of budgetary support of Rs.61.55 crore of Neyveli Lignite Corporation.

(b) & (c): The main reasons in the reduction of plan outlay of the Department of Coal are as under:-

1999-2000 Neyveli Lignite Corporation

(i) For Mine-I, delay in approval of design and engineering drawing and consequently in supply.

(ii) For TPS-I expansion, delay in supply for main plant package on account of non-finalisation of techno- commercial issues in respect of on-shore and off-shore supplies.

Singareni Collieries Company Ltd.

Non-procurement of equipments /machinery and delay in acquisition of forest land.

2000-2001

Coal India Limited

At RE stage, reduction is primarily due to cancellation of Coal Sector Rehabilitation Project (CSRP) loan due to sluggishness of coal

sector demand.

Neyveli Lignite Corporation

Delayed supply in respect of main plant package in Thermal Power Station-I Expansion Project.

Singareni Collieries Company Limited

Non-procurement of equipment/machinery, delay in acquisition of forest land of Manuguru SB-I, Khairagura OCPand Khairagura Underground, Nargundkar Khani and Koyagudem OCP-I, non-sanctioning of Manuguru OC-IV.

2001-2002

Coal India Limited

Sluggish in demand for coal by the power sector, non- materialisation of projected receipts from the securitisation scheme.

Neyveli Lignite Corporation

Non-inclusion of budgetary support for the Mine-IA Project,non-inclusion of extra-budgetary resources on account of Central Plan Assistance, less provision for depreciation on account of delay in commissioning of TPS-IA Project.

SCCL

Pre-payment of entire outstanding loans.

2002-03

Coal India Limited

The increased outlay is due to higher anticipated resource generation on account of securitisation of SEB dues.

SCCL
Increase in internal resources on account of reduction in liabilities due to pre-payment of Government of India loans. Increase in provision of the departmental schemes such as EMSC, S&T, regional exploration, etc.

(d) Following steps have been taken to improve the languishing coal/lignite projects:-

(i) Proper analysis of demand and supply scenario is done.

(ii) A firm consumer linkage is set up.

(iii) Availability of land for at least ten years of operation is ensured.

(iv) Sophisticated geological and geophysical exploration techniques adopted.

(v) Suitability of technology for working the projects is considered in depth.

(vi) Financial parameters are given due consideration in the changed scenario.

(e)(f)&(g): No, Sir. The Department of Coal carries out a detailed exercise involving discussions with coal companies, Ministry of Finance, Planning Commission etc. toworkout the internal and extra budgetary resources realistically. The Department of Coal will make concerted efforts that the budget estimates are formulated keeping in view the schedule for pre-project activities i.e. bidding/ tendering/machinery/approval from concerned agencies/financial institution/ committees etc.. All possible efforts are being made to ensure that funds for a project/scheme are earmarked only to that extent to which they can be utilised during the financial year.